

By: Senator(s) Jackson (11th), Hopson,
Simmons (12th), Sojourner, Watson, Butler
(36th)

To: Finance

SENATE BILL NO. 2972
(As Sent to Governor)

1 AN ACT TO AMEND SECTION 27-65-22, MISSISSIPPI CODE OF 1972,
2 TO EXEMPT FROM THE AMUSEMENT TAX GUIDED TOURS ON NAVIGABLE WATERS
3 OF THIS STATE, WHICH INCLUDE PROVIDING ACCOMMODATIONS, GUIDE
4 SERVICES AND/OR RELATED EQUIPMENT OPERATED BY OR UNDER THE
5 DIRECTION OF THE PERSON PROVIDING THE TOUR, FOR THE PURPOSES OF
6 OUTDOOR TOURISM AND ADMISSIONS TO EVENTS HELD SOLELY FOR RELIGIOUS
7 OR CHARITABLE PURPOSES AT LIVESTOCK FACILITIES, AGRICULTURE
8 FACILITIES OR OTHER FACILITIES CONSTRUCTED, RENOVATED OR EXPANDED
9 WITH FUNDS FOR THE GRANT PROGRAM AUTHORIZED UNDER SECTION 18,
10 CHAPTER 530, LAWS OF 1995; TO AMEND SECTION 27-65-101, MISSISSIPPI
11 CODE OF 1972, AS AMENDED BY HOUSE BILL NO. 1555, 2014 REGULAR
12 SESSION, TO EXEMPT FROM SALES TAXATION GROSS COLLECTIONS DERIVED
13 FROM GUIDED TOURS ON NAVIGABLE WATERS OF THIS STATE, WHICH INCLUDE
14 PROVIDING ACCOMMODATIONS, GUIDE SERVICES AND/OR RELATED EQUIPMENT
15 OPERATED BY OR UNDER THE DIRECTION OF THE PERSON PROVIDING THE
16 TOUR, FOR THE PURPOSES OF OUTDOOR TOURISM; TO AMEND SECTION
17 27-65-105, MISSISSIPPI CODE OF 1972, TO EXEMPT FROM SALES TAXATION
18 PARKING AT EVENTS HELD SOLELY FOR RELIGIOUS OR CHARITABLE PURPOSES
19 AT LIVESTOCK FACILITIES, AGRICULTURE FACILITIES OR OTHER
20 FACILITIES CONSTRUCTED, RENOVATED OR EXPANDED WITH FUNDS FOR THE
21 GRANT PROGRAM AUTHORIZED UNDER SECTION 18, CHAPTER 530, LAWS OF
22 1995; AND FOR RELATED PURPOSES.

23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

24 **SECTION 1.** Section 27-65-22, Mississippi Code of 1972, is
25 amended as follows:

26 27-65-22. (1) Upon every person engaging or continuing in
27 any amusement business or activity, which shall include all manner
28 and forms of entertainment and amusement, all forms of diversion,



29 sport, recreation or pastime, shows, exhibitions, contests,
30 displays, games or any other and all methods of obtaining
31 admission charges, donations, contributions or monetary charges of
32 any character, from the general public or a limited or selected
33 number thereof, directly or indirectly in return for other than
34 tangible property or specific personal or professional services,
35 whether such amusement is held or conducted in a public or private
36 building, hotel, tent, pavilion, lot or resort, enclosed or in the
37 open, there is hereby levied, assessed and shall be collected a
38 tax equal to seven percent (7%) of the gross income received as
39 admission, except as otherwise provided herein. In lieu of the
40 rate set forth above, there is hereby imposed, levied and
41 assessed, to be collected as hereinafter provided, a tax of three
42 percent (3%) of gross revenue derived from sales of admission
43 to * * * publicly owned enclosed coliseums and auditoriums (except
44 admissions to athletic contests between colleges and
45 universities) * * *. There is hereby imposed, levied and assessed
46 a tax of seven percent (7%) of gross revenue derived from sales of
47 admission to events conducted on property managed by the
48 Mississippi Veterans Memorial Stadium, which tax shall be
49 administered in the manner prescribed in this chapter, subject,
50 however, to the provisions of Sections 55-23-3 through 55-23-11.

51 (2) The operator of any place of amusement in this state
52 shall collect the tax imposed by this section, in addition to the
53 price charged for admission to any place of amusement, and under



54 all circumstances the person conducting the amusement shall be
55 liable for, and pay the tax imposed based upon the actual charge
56 for such admission. Where permits are obtained for conducting
57 temporary amusements by persons who are not the owners, lessees or
58 custodians of the buildings, lots or places where the amusements
59 are to be conducted, or where such temporary amusement is
60 permitted by the owner, lessee or custodian of any place to be
61 conducted without the procurement of a permit as required by this
62 chapter, the tax imposed by this chapter shall be paid by the
63 owner, lessee or custodian of such place where such temporary
64 amusement is held or conducted, unless paid by the person
65 conducting the amusement, and the applicant for such temporary
66 permit shall furnish with the application therefor, the name and
67 address of the owner, lessee or custodian of the premises upon
68 which such amusement is to be conducted, and such owner, lessee or
69 custodian shall be notified by the commission of the issuance of
70 such permit, and of the joint liability for such tax.

71 (3) The tax imposed by this section shall not be levied or
72 collected upon:

73 (a) Any admissions charged at any place of amusement
74 operated by a religious, charitable or educational organization,
75 or by a nonprofit civic club or fraternal organization (i) when
76 the net proceeds of such admissions do not inure to any one or
77 more individuals within such organization and are to be used
78 solely for religious, charitable, educational or civic purposes;



79 or (ii) when the entire net proceeds are used to defray the normal
80 operating expenses of such organization, such as loan payments,
81 maintenance costs, repairs and other operating expenses;

82 (b) Any admissions charged to hear gospel singing when
83 promoted by a duly constituted local, bona fide nonprofit
84 charitable or religious organization, irrespective of the fact
85 that the performers and promoters are paid out of the proceeds of
86 admissions collected, provided the program is composed entirely of
87 gospel singing and not generally mixed with hillbilly or popular
88 singing;

89 (c) Any admissions charged at any athletic games or
90 contests between high schools or between grammar schools;

91 (d) Any admissions or tickets to or for baseball games
92 between teams operated under a professional league franchise;

93 (e) Any admissions to county, state or community fairs,
94 or any admissions to entertainments presented in community homes
95 or houses which are publicly owned and controlled, and the
96 proceeds of which do not inure to any individual or individuals;

97 (f) Any admissions or tickets to organized garden
98 pilgrimages and to antebellum and historic houses when sponsored
99 by an organized civic or garden club;

100 (g) Any admissions to any golf tournament held under
101 the auspices of the Professional Golf Association or United States
102 Golf Association wherein touring professionals compete, if such
103 tournament is sponsored by a nonprofit association incorporated



104 under the laws of the State of Mississippi where no dividends are
105 declared and the proceeds do not inure to any individual or group;

106 (h) Any admissions to university or community college
107 conference, state, regional or national playoffs or championships;

108 (i) Any admissions or fees charged by any county or
109 municipally owned and operated swimming pools, golf courses and
110 tennis courts other than sales or rental of tangible personal
111 property;

112 (j) Any admissions charged for the performance of
113 symphony orchestras, operas, vocal or instrumental artists in
114 which professional or amateur performers are compensated out of
115 the proceeds of such admissions, when sponsored by local music or
116 charity associations, or amateur dramatic performances or
117 professional dramatic productions when sponsored by a children's
118 dramatic association, where no dividends are declared, profits
119 received, nor any salary or compensation paid to any of the
120 members of such associations, or to any person for procuring or
121 producing such performance;

122 (k) Any admissions or tickets to or for hockey games
123 between teams operated under a professional league
124 franchise; * * *

125 (l) Any admissions or tickets to or for events
126 sanctioned by the Mississippi Athletic Commission that are held
127 within publicly owned enclosed coliseums and auditoriums * * *;



128 (m) Guided tours on any navigable waters of this state,
129 which include providing accommodations, guide services and/or
130 related equipment operated by or under the direction of the person
131 providing the tour, for the purposes of outdoor tourism; and

132 (n) Any admissions to events held solely for religious
133 or charitable purposes at livestock facilities, agriculture
134 facilities or other facilities constructed, renovated or expanded
135 with funds from the grant program authorized under Section 18 of
136 Chapter 530, Laws of 1995.

137 **SECTION 2.** Section 27-65-101, Mississippi Code of 1972, as
138 amended by House Bill No. 1555, 2014 Regular Session, is amended
139 as follows:

140 27-65-101. (1) The exemptions from the provisions of this
141 chapter which are of an industrial nature or which are more
142 properly classified as industrial exemptions than any other
143 exemption classification of this chapter shall be confined to
144 those persons or property exempted by this section or by the
145 provisions of the Constitution of the United States or the State
146 of Mississippi. No industrial exemption as now provided by any
147 other section except Section 57-3-33 shall be valid as against the
148 tax herein levied. Any subsequent industrial exemption from the
149 tax levied hereunder shall be provided by amendment to this
150 section. No exemption provided in this section shall apply to
151 taxes levied by Section 27-65-15 or 27-65-21.



152 The tax levied by this chapter shall not apply to the
153 following:

154 (a) Sales of boxes, crates, cartons, cans, bottles and
155 other packaging materials to manufacturers and wholesalers for use
156 as containers or shipping materials to accompany goods sold by
157 said manufacturers or wholesalers where possession thereof will
158 pass to the customer at the time of sale of the goods contained
159 therein and sales to anyone of containers or shipping materials
160 for use in ships engaged in international commerce.

161 (b) Sales of raw materials, catalysts, processing
162 chemicals, welding gases or other industrial processing gases
163 (except natural gas) to a manufacturer for use directly in
164 manufacturing or processing a product for sale or rental or
165 repairing or reconditioning vessels or barges of fifty (50) tons
166 load displacement and over. For the purposes of this exemption,
167 electricity used directly in the electrolysis process in the
168 production of sodium chlorate shall be considered a raw material.
169 This exemption shall not apply to any property used as fuel except
170 to the extent that such fuel comprises by-products which have no
171 market value.

172 (c) The gross proceeds of sales of dry docks, offshore
173 drilling equipment for use in oil or natural gas exploration or
174 production, vessels or barges of fifty (50) tons load displacement
175 and over, when the vessels or barges are sold by the manufacturer
176 or builder thereof. In addition to other types of equipment,



177 offshore drilling equipment for use in oil or natural gas
178 exploration or production shall include aircraft used
179 predominately to transport passengers or property to or from
180 offshore oil or natural gas exploration or production platforms or
181 vessels, and engines, accessories and spare parts for such
182 aircraft.

183 (d) Sales to commercial fishermen of commercial fishing
184 boats of over five (5) tons load displacement and not more than
185 fifty (50) tons load displacement as registered with the United
186 States Coast Guard and licensed by the Mississippi Commission on
187 Marine Resources.

188 (e) The gross income from repairs to vessels and barges
189 engaged in foreign trade or interstate transportation.

190 (f) Sales of petroleum products to vessels or barges
191 for consumption in marine international commerce or interstate
192 transportation businesses.

193 (g) Sales and rentals of rail rolling stock (and
194 component parts thereof) for ultimate use in interstate commerce
195 and gross income from services with respect to manufacturing,
196 repairing, cleaning, altering, reconditioning or improving such
197 rail rolling stock (and component parts thereof).

198 (h) Sales of raw materials, catalysts, processing
199 chemicals, welding gases or other industrial processing gases
200 (except natural gas) used or consumed directly in manufacturing,
201 repairing, cleaning, altering, reconditioning or improving such



202 rail rolling stock (and component parts thereof). This exemption
203 shall not apply to any property used as fuel.

204 (i) Sales of machinery or tools or repair parts
205 therefor or replacements thereof, fuel or supplies used directly
206 in manufacturing, converting or repairing ships, vessels or barges
207 of three thousand (3,000) tons load displacement and over, but not
208 to include office and plant supplies or other equipment not
209 directly used on the ship, vessel or barge being built, converted
210 or repaired. For purposes of this exemption, "ships, vessels or
211 barges" shall not include floating structures described in Section
212 27-65-18.

213 (j) Sales of tangible personal property to persons
214 operating ships in international commerce for use or consumption
215 on board such ships. This exemption shall be limited to cases in
216 which procedures satisfactory to the commissioner, ensuring
217 against use in this state other than on such ships, are
218 established.

219 (k) Sales of materials used in the construction of a
220 building, or any addition or improvement thereon, and sales of any
221 machinery and equipment not later than three (3) months after the
222 completion of construction of the building, or any addition
223 thereon, to be used therein, to qualified businesses, as defined
224 in Section 57-51-5, which are located in a county or portion
225 thereof designated as an enterprise zone pursuant to Sections
226 57-51-1 through 57-51-15.



227 (1) Sales of materials used in the construction of a
228 building, or any addition or improvement thereon, and sales of any
229 machinery and equipment not later than three (3) months after the
230 completion of construction of the building, or any addition
231 thereon, to be used therein, to qualified businesses, as defined
232 in Section 57-54-5.

233 (m) Income from storage and handling of perishable
234 goods by a public storage warehouse.

235 (n) The value of natural gas lawfully injected into the
236 earth for cycling, repressuring or lifting of oil, or lawfully
237 vented or flared in connection with the production of oil;
238 however, if any gas so injected into the earth is sold for such
239 purposes, then the gas so sold shall not be exempt.

240 (o) The gross collections from self-service commercial
241 laundering, drying, cleaning and pressing equipment.

242 (p) Sales of materials used in the construction of a
243 building, or any addition or improvement thereon, and sales of any
244 machinery and equipment not later than three (3) months after the
245 completion of construction of the building, or any addition
246 thereon, to be used therein, to qualified companies, certified as
247 such by the Mississippi Development Authority under Section
248 57-53-1.

249 (q) Sales of component materials used in the
250 construction of a building, or any addition or improvement
251 thereon, sales of machinery and equipment to be used therein, and



252 sales of manufacturing or processing machinery and equipment which
253 is permanently attached to the ground or to a permanent foundation
254 and which is not by its nature intended to be housed within a
255 building structure, not later than three (3) months after the
256 initial start-up date, to permanent business enterprises engaging
257 in manufacturing or processing in Tier Three areas (as such term
258 is defined in Section 57-73-21), which businesses are certified by
259 the Department of Revenue as being eligible for the exemption
260 granted in this paragraph (q).

261 (r) (i) Sales of component materials used in the
262 construction of a building, or any addition or improvement
263 thereon, and sales of any machinery and equipment not later than
264 three (3) months after the completion of the building, addition or
265 improvement thereon, to be used therein, for any company
266 establishing or transferring its national or regional headquarters
267 from within or outside the State of Mississippi and creating a
268 minimum of twenty (20) jobs at the new headquarters in this state.
269 The Department of Revenue shall establish criteria and prescribe
270 procedures to determine if a company qualifies as a national or
271 regional headquarters for the purpose of receiving the exemption
272 provided in this subparagraph (i).

273 (ii) Sales of component materials used in the
274 construction of a building, or any addition or improvement
275 thereon, and sales of any machinery and equipment not later than
276 three (3) months after the completion of the building, addition or



277 improvement thereon, to be used therein, for any company expanding
278 or making additions after January 1, 2013, to its national or
279 regional headquarters within the State of Mississippi and creating
280 a minimum of twenty (20) new jobs at the headquarters as a result
281 of the expansion or additions. The Department of Revenue shall
282 establish criteria and prescribe procedures to determine if a
283 company qualifies as a national or regional headquarters for the
284 purpose of receiving the exemption provided in this subparagraph
285 (ii).

286 (s) The gross proceeds from the sale of semitrailers,
287 trailers, boats, travel trailers, motorcycles and all-terrain
288 cycles if exported from this state within forty-eight (48) hours
289 and registered and first used in another state.

290 (t) Gross income from the storage and handling of
291 natural gas in underground salt domes and in other underground
292 reservoirs, caverns, structures and formations suitable for such
293 storage.

294 (u) Sales of machinery and equipment to nonprofit
295 organizations if the organization:

296 (i) Is tax exempt pursuant to Section 501(c)(4) of
297 the Internal Revenue Code of 1986, as amended;

298 (ii) Assists in the implementation of the
299 contingency plan or area contingency plan, and which is created in
300 response to the requirements of Title IV, Subtitle B of the Oil
301 Pollution Act of 1990, Public Law 101-380; and



302 (iii) Engages primarily in programs to contain,
303 clean up and otherwise mitigate spills of oil or other substances
304 occurring in the United States coastal and tidal waters.

305 For purposes of this exemption, "machinery and equipment"
306 means any ocean-going vessels, barges, booms, skimmers and other
307 capital equipment used primarily in the operations of nonprofit
308 organizations referred to herein.

309 (v) Sales or leases of materials and equipment to
310 approved business enterprises as provided under the Growth and
311 Prosperity Act.

312 (w) From and after July 1, 2001, sales of pollution
313 control equipment to manufacturers or custom processors for
314 industrial use. For the purposes of this exemption, "pollution
315 control equipment" means equipment, devices, machinery or systems
316 used or acquired to prevent, control, monitor or reduce air, water
317 or groundwater pollution, or solid or hazardous waste as required
318 by federal or state law or regulation.

319 (x) Sales or leases to a manufacturer of motor vehicles
320 or powertrain components operating a project that has been
321 certified by the Mississippi Major Economic Impact Authority as a
322 project as defined in Section 57-75-5(f)(iv)1, Section
323 57-75-5(f)(xxi) or Section 57-75-5(f)(xxii) of machinery and
324 equipment; special tooling such as dies, molds, jigs and similar
325 items treated as special tooling for federal income tax purposes;
326 or repair parts therefor or replacements thereof; repair services



327 thereon; fuel, supplies, electricity, coal and natural gas used
328 directly in the manufacture of motor vehicles or motor vehicle
329 parts or used to provide climate control for manufacturing areas.

330 (y) Sales or leases of component materials, machinery
331 and equipment used in the construction of a building, or any
332 addition or improvement thereon to an enterprise operating a
333 project that has been certified by the Mississippi Major Economic
334 Impact Authority as a project as defined in Section
335 57-75-5(f)(iv)1, Section 57-75-5(f)(xxi), Section 57-75-5(f)(xxii)
336 or Section 57-75-5(f)(xxviii) and any other sales or leases
337 required to establish or operate such project.

338 (z) Sales of component materials and equipment to a
339 business enterprise as provided under Section 57-64-33.

340 (aa) The gross income from the stripping and painting
341 of commercial aircraft engaged in foreign or interstate
342 transportation business.

343 (bb) [Repealed]

344 (cc) Sales or leases to an enterprise owning or
345 operating a project that has been designated by the Mississippi
346 Major Economic Impact Authority as a project as defined in Section
347 57-75-5(f)(xviii) of machinery and equipment; special tooling such
348 as dies, molds, jigs and similar items treated as special tooling
349 for federal income tax purposes; or repair parts therefor or
350 replacements thereof; repair services thereon; fuel, supplies,
351 electricity, coal and natural gas used directly in the



352 manufacturing/production operations of the project or used to
353 provide climate control for manufacturing/production areas.

354 (dd) Sales or leases of component materials, machinery
355 and equipment used in the construction of a building, or any
356 addition or improvement thereon to an enterprise owning or
357 operating a project that has been designated by the Mississippi
358 Major Economic Impact Authority as a project as defined in Section
359 57-75-5(f) (xviii) and any other sales or leases required to
360 establish or operate such project.

361 (ee) Sales of parts used in the repair and servicing of
362 aircraft not registered in Mississippi engaged exclusively in the
363 business of foreign or interstate transportation to businesses
364 engaged in aircraft repair and maintenance.

365 (ff) Sales of component materials used in the
366 construction of a facility, or any addition or improvement
367 thereon, and sales or leases of machinery and equipment not later
368 than three (3) months after the completion of construction of the
369 facility, or any addition or improvement thereto, to be used in
370 the building or any addition or improvement thereto, to a
371 permanent business enterprise operating a data/information
372 enterprise in Tier Three areas (as such areas are designated in
373 accordance with Section 57-73-21), meeting minimum criteria
374 established by the Mississippi Development Authority.

375 (gg) Sales of component materials used in the
376 construction of a facility, or any addition or improvement



377 thereto, and sales of machinery and equipment not later than three
378 (3) months after the completion of construction of the facility,
379 or any addition or improvement thereto, to be used in the facility
380 or any addition or improvement thereto, to technology intensive
381 enterprises for industrial purposes in Tier Three areas (as such
382 areas are designated in accordance with Section 57-73-21), as
383 certified by the Department of Revenue. For purposes of this
384 paragraph, an enterprise must meet the criteria provided for in
385 Section 27-65-17(1) (f) in order to be considered a technology
386 intensive enterprise.

387 (hh) Sales of component materials used in the
388 replacement, reconstruction or repair of a building or facility
389 that has been destroyed or sustained extensive damage as a result
390 of a disaster declared by the Governor, sales of machinery and
391 equipment to be used therein to replace machinery or equipment
392 damaged or destroyed as a result of such disaster, including, but
393 not limited to, manufacturing or processing machinery and
394 equipment which is permanently attached to the ground or to a
395 permanent foundation and which is not by its nature intended to be
396 housed within a building structure, to enterprises or companies
397 that were eligible for the exemptions authorized in paragraph (q),
398 (r), (ff) or (gg) of this subsection during initial construction
399 of the building that was destroyed or damaged, which enterprises
400 or companies are certified by the Department of Revenue as being
401 eligible for the exemption granted in this paragraph.



402 (ii) Sales of software or software services transmitted
403 by the Internet to a destination outside the State of Mississippi
404 where the first use of such software or software services by the
405 purchaser occurs outside the State of Mississippi.

406 (jj) Gross income of public storage warehouses derived
407 from the temporary storage of raw materials that are to be used in
408 an eligible facility as defined in Section 27-7-22.35.

409 (kk) Sales of component building materials and
410 equipment for initial construction of facilities or expansion of
411 facilities as authorized under Sections 57-113-1 through 57-113-7
412 and Sections 57-113-21 through 57-113-27.

413 (ll) Sales and leases of machinery and equipment
414 acquired in the initial construction to establish facilities as
415 authorized in Sections 57-113-1 through 57-113-7.

416 (mm) Sales and leases of replacement hardware, software
417 or other necessary technology to operate a data center as
418 authorized under Sections 57-113-21 through 57-113-27.

419 (nn) Sales of component materials used in the
420 construction of a building, or any addition or improvement
421 thereon, and sales or leases of machinery and equipment not later
422 than three (3) months after the completion of the construction of
423 the facility, to be used in the facility, to permanent business
424 enterprises operating a facility producing renewable crude oil
425 from biomass harvested or produced, in whole or in part, in
426 Mississippi, which businesses meet minimum criteria established by



427 the Mississippi Development Authority. As used in this paragraph,
428 the term "biomass" shall have the meaning ascribed to such term in
429 Section 57-113-1.

430 (oo) Sales of supplies, equipment and other personal
431 property to an organization that is exempt from taxation under
432 Section 501(c)(3) of the Internal Revenue Code and is the host
433 organization coordinating a professional golf tournament played or
434 to be played in this state and the supplies, equipment or other
435 personal property will be used for purposes related to the golf
436 tournament and related activities.

437 (pp) Sales of materials used in the construction of a
438 health care industry facility, as defined in Section 57-117-3, or
439 any addition or improvement thereon, and sales of any machinery
440 and equipment not later than three (3) months after the completion
441 of construction of the facility, or any addition thereon, to be
442 used therein, to qualified businesses, as defined in Section
443 57-117-3. This paragraph shall be repealed from and after July 1,
444 2022.

445 (qq) Sales or leases to a manufacturer of automotive
446 parts operating a project that has been certified by the
447 Mississippi Major Economic Impact Authority as a project as
448 defined in Section 57-75-5(f)(xxviii) of machinery and equipment;
449 or repair parts therefor or replacements thereof; repair services
450 thereon; fuel, supplies, electricity, coal, nitrogen and natural



451 gas used directly in the manufacture of automotive parts or used
452 to provide climate control for manufacturing areas.

453 (rr) Gross collections derived from guided tours on any
454 navigable waters of this state, which include providing
455 accommodations, guide services and/or related equipment operated
456 by or under the direction of the person providing the tour, for
457 the purposes of outdoor tourism. The exemption provided in this
458 paragraph (rr) does not apply to the sale of tangible personal
459 property by a person providing such tours.

460 (2) Sales of component materials used in the construction of
461 a building, or any addition or improvement thereon, sales of
462 machinery and equipment to be used therein, and sales of
463 manufacturing or processing machinery and equipment which is
464 permanently attached to the ground or to a permanent foundation
465 and which is not by its nature intended to be housed within a
466 building structure, not later than three (3) months after the
467 initial start-up date, to permanent business enterprises engaging
468 in manufacturing or processing in Tier Two areas and Tier One
469 areas (as such areas are designated in accordance with Section
470 57-73-21), which businesses are certified by the Department of
471 Revenue as being eligible for the exemption granted in this
472 subsection, shall be exempt from one-half (1/2) of the taxes
473 imposed on such transactions under this chapter.

474 (3) Sales of component materials used in the construction of
475 a facility, or any addition or improvement thereon, and sales or



476 leases of machinery and equipment not later than three (3) months
477 after the completion of construction of the facility, or any
478 addition or improvement thereto, to be used in the building or any
479 addition or improvement thereto, to a permanent business
480 enterprise operating a data/information enterprise in Tier Two
481 areas and Tier One areas (as such areas are designated in
482 accordance with Section 57-73-21), which businesses meet minimum
483 criteria established by the Mississippi Development Authority,
484 shall be exempt from one-half (1/2) of the taxes imposed on such
485 transaction under this chapter.

486 (4) Sales of component materials used in the construction of
487 a facility, or any addition or improvement thereto, and sales of
488 machinery and equipment not later than three (3) months after the
489 completion of construction of the facility, or any addition or
490 improvement thereto, to be used in the building or any addition or
491 improvement thereto, to technology intensive enterprises for
492 industrial purposes in Tier Two areas and Tier One areas (as such
493 areas are designated in accordance with Section 57-73-21), which
494 businesses are certified by the Department of Revenue as being
495 eligible for the exemption granted in this subsection, shall be
496 exempt from one-half (1/2) of the taxes imposed on such
497 transactions under this chapter. For purposes of this subsection,
498 an enterprise must meet the criteria provided for in Section
499 27-65-17(1)(f) in order to be considered a technology intensive
500 enterprise.



501 (5) (a) For purposes of this subsection:

502 (i) "Telecommunications enterprises" shall have
503 the meaning ascribed to such term in Section 57-73-21;

504 (ii) "Tier One areas" mean counties designated as
505 Tier One areas pursuant to Section 57-73-21;

506 (iii) "Tier Two areas" mean counties designated as
507 Tier Two areas pursuant to Section 57-73-21;

508 (iv) "Tier Three areas" mean counties designated
509 as Tier Three areas pursuant to Section 57-73-21; and

510 (v) "Equipment used in the deployment of broadband
511 technologies" means any equipment capable of being used for or in
512 connection with the transmission of information at a rate, prior
513 to taking into account the effects of any signal degradation, that
514 is not less than three hundred eighty-four (384) kilobits per
515 second in at least one (1) direction, including, but not limited
516 to, asynchronous transfer mode switches, digital subscriber line
517 access multiplexers, routers, servers, multiplexers, fiber optics
518 and related equipment.

519 (b) Sales of equipment to telecommunications
520 enterprises after June 30, 2003, and before July 1, 2020, that is
521 installed in Tier One areas and used in the deployment of
522 broadband technologies shall be exempt from one-half (1/2) of the
523 taxes imposed on such transactions under this chapter.

524 (c) Sales of equipment to telecommunications
525 enterprises after June 30, 2003, and before July 1, 2020, that is



526 installed in Tier Two and Tier Three areas and used in the
527 deployment of broadband technologies shall be exempt from the
528 taxes imposed on such transactions under this chapter.

529 (6) Sales of component materials used in the replacement,
530 reconstruction or repair of a building that has been destroyed or
531 sustained extensive damage as a result of a disaster declared by
532 the Governor, sales of machinery and equipment to be used therein
533 to replace machinery or equipment damaged or destroyed as a result
534 of such disaster, including, but not limited to, manufacturing or
535 processing machinery and equipment which is permanently attached
536 to the ground or to a permanent foundation and which is not by its
537 nature intended to be housed within a building structure, to
538 enterprises that were eligible for the partial exemptions provided
539 for in subsections (2), (3) and (4) of this section during initial
540 construction of the building that was destroyed or damaged, which
541 enterprises are certified by the Department of Revenue as being
542 eligible for the partial exemption granted in this subsection,
543 shall be exempt from one-half (1/2) of the taxes imposed on such
544 transactions under this chapter.

545 **SECTION 3.** Section 27-65-105, Mississippi Code of 1972, is
546 amended as follows:

547 27-65-105. The exemption from the provisions of this chapter
548 which are of a governmental nature or which are more properly
549 classified as governmental exemptions than any other exemption
550 classification of this chapter shall be confined to those persons



551 or property exempted by this section or by provisions of the
552 Constitutions of the United States or the State of Mississippi.
553 No governmental exemption as now provided by any other section
554 shall be valid as against the tax herein levied. Any subsequent
555 governmental exemption from the tax levied hereunder shall be
556 provided by amendment to this section.

557 No exemption provided in this section shall apply to taxes
558 levied by Section 27-65-15 or 27-65-21, Mississippi Code of 1972,
559 except as provided by paragraph (f) of this section.

560 The tax levied by this chapter shall not apply to the
561 following:

562 (a) Sales of property, labor, services or products
563 taxable under Sections 27-65-17, 27-65-19, 27-65-23 and 27-19-26,
564 when sold to and billed directly to and payment therefor is made
565 directly by the United States government, the State of Mississippi
566 and its departments, institutions, counties and municipalities or
567 departments or school districts of said counties and
568 municipalities.

569 The exemption from the tax imposed under this chapter shall
570 not apply to sales of tangible personal property or specified
571 digital products, labor or services to contractors purchasing in
572 the performance of contracts with the United States, the State of
573 Mississippi, counties and municipalities.

574 (b) Sales to schools, when such schools are supported
575 wholly or in part by funds provided by the State of Mississippi,



576 provided that this exemption does not apply to sales of property
577 which is not to be used in the ordinary operation of the school,
578 or which is to be resold to the students or the public.

579 (c) Amounts received from the sale of school textbooks
580 to students.

581 (d) Sales to the Mississippi Band of Choctaw Indians,
582 but not to Indians individually.

583 (e) Sales of fire fighting equipment to governmental
584 fire departments or volunteer fire departments for their use.

585 (f) Sales of any gas from any project, as defined in
586 the Municipal Gas Authority of Mississippi Law, to any
587 municipality shall not be subject to sales, use or other tax.

588 (g) Sales of home medical equipment and home medical
589 supplies listed as eligible for payment under Title XVIII of the
590 Social Security Act or under the state plan for medical assistance
591 under Title XIX of the Social Security Act, prosthetics,
592 orthotics, hearing aids, hearing devices, prescription eyeglasses,
593 oxygen and oxygen equipment, when ordered or prescribed by a
594 licensed physician for medical purposes of a patient, and when
595 payment for such equipment or supplies, or both, is made, in part
596 or in whole, under the provisions of the Medicare or Medicaid
597 program, then the entire sale shall be exempt from the taxes
598 imposed by this chapter.

599 (h) Sales to regional educational service agencies
600 established under Section 37-7-345.



601 (i) Sales of buses and other motor vehicles, and parts
602 and labor used to maintain and/or repair such buses and motor
603 vehicles, to an entity that (a) has entered into a contract with a
604 school board under Section 37-41-31 for the purpose of
605 transporting students to and from schools and (b) uses or will use
606 the buses and other motor vehicles for such transportation
607 purposes. This paragraph (i) shall apply to contracts entered
608 into or renewed on or after July 1, 2010.

609 (j) Parking at events held solely for religious or
610 charitable purposes at livestock facilities, agriculture
611 facilities or other facilities constructed, renovated or expanded
612 with funds for the grant program authorized under Section 18,
613 Chapter 530, Laws of 1995.

614 **SECTION 4.** The Division of Tourism of the Mississippi
615 Development Authority shall prepare and file a report with the
616 Legislature regarding the impact of the tax exemption provided in
617 Section 27-65-101(rr) on the tourism industry in this state and
618 other economic development activities. The report shall be filed
619 with the Clerk of the Mississippi House of Representatives and
620 Secretary of the Mississippi State Senate not later than December
621 31, 2015.

622 **SECTION 5.** This act shall take effect and be in force from
623 and after July 1, 2014.

